

## AGENDA



Thursday, June 8, 2006

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**Financial and Administrative Services  
RECOMMENDATION FOR COUNCIL  
ACTION**

ITEM 8

**Subject:** Approve an ordinance authorizing the City Manager to negotiate and execute an amendment to the Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District No. 1 ("Consent Amendment") to approve a monthly credit on water and wastewater bills per single family lot for customers located inside Northwest Austin Municipal Utility District No. 1 ("District"); amending Ordinance No. 20050912-004, the Fiscal Year 2005-2006 Fee Ordinance, to provide water and wastewater rate credits per single family lot for customers located inside the District; transferring certain District property to the City; and waiving the requirements of the City Code Section 2-5-2 relating to economic impact statements, Section 2-5-45 relating to rate change public hearing, Section 15-9-4 relating to public notice of a proposed rate or classification change, and Section 25-9-253 relating to board and commission review.

**Amount and Source of Funding:** The Austin Water Utility is expected to credit rate revenue equal to approximately \$524,800 annually to the MUD residents' Utility bills beginning in FY 2006 -07 through FY 2025-26. Waiver of the requirement for a fiscal impact statement is requested. (Related to items 7 and 9)

**Fiscal Note:****Additional Backup Material**

(click to open)

No Attachments Available

**For More Information:** John Stephens, Chief Financial Officer 974-2076; Chris Lippe, Director Austin Water Utility 972-0108

**Prior Council Action:** May 12, 2005 and May 26, 2005

**Boards and Commission Action:**

An item from Council authorizing the approval of an amendment to the Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District No. 1 ("Consent Agreement") was approved in May 2005. The 2005 amendment included terms related to utility bill credits to residents of the District.

Revised terms for the Consent Amendment are now proposed concerning the transfer of conservation property to the City and the timing of parkland dedication. All parties to the Consent Agreement, including the City, the District, and Canyon Creek Land, Ltd. and Canyon Creek Options, Ltd. (the Developers) have agreed on terms for inclusion in the Consent Amendment. Authorization to negotiate and execute the proposed Consent Amendment is requested to address all remaining compliance issues, establish a lower District debt ceiling, and allow for implementation of the previously authorized utility bill

credit arrangement for District residents.

The Utility bill credits are expected to begin upon execution of the amended Consent Agreement. The total credits will equal approximately 50% of the District's average annual debt service on outstanding District bonds or approximately \$524,800 annually. The FY 2006 -2007 monthly credit amount per lot will equal \$35.33 and monthly credits to be revised annually will continue through FY 2025-2026.

This approval also necessitates an amendment to the FY 2005-2006 Fee Ordinance relating to water and wastewater rate credits per single family lot for customers located inside the District. The waiver of certain code requirements relating to economic impact statements, rate change public hearing, public notice of a proposed rate or classification change, and board and commission review is also requested.